

FREQUENTLY ASKED QUESTIONS
AB 900 Jail Construction Funding
New as of February 2008

If a county provides county-owned land for a state reentry facility, can the value of that land qualify as in-kind match for a county jail project? How is the county compensated for the reentry facility land parcel?

All costs associated with the jail construction project (state dollars and match) must be dedicated directly and solely to the jail construction project. With this said, land for reentry projects cannot be a part of the jail construction match or state dollars.

The State will pay fair market value for land for a state reentry facility, subject to State Public Works Board (SPWB) approval, just as if buying a site from a private property owner.

Is the CSA flexible about the type of jail beds counties propose to build as part of their proposal? For instance, can a county build dorms versus cells? Will one type of housing be viewed more favorably by the ESC/CSA?

Counties can certainly build either cells or dorms, as long as their needs assessment supports their project. A county will need to do a sufficient job of summarizing those needs in their proposal. In terms of one being viewed more favorably than the other, it again goes back to the documentation that supports the need.

Are the non-compliance findings or recommendations from state and local authorities as required in the Proposal Form Narrative Section 4.B., Project Need, limited to the CSA's biennial inspections?

No, non-compliance findings or recommendations must include those from the local health officer, state fire marshal, Grand Jury, building inspectors and any others pertinent to their proposed project.

What are the seismic standards that will be used to evaluate the local jail facility projects that will be funded using lease-revenue bond proceeds?

As far as seismic standards are concerned, the rating agencies expect seismic level 3 or better for lease-revenue funded projects.

In order for the state to pledge the properties as security for the bonds, the counties are required to transfer ownership interest to the state during the term of the bonds. If the state defaults on the bonds, will the counties be

able to continue their operations in the facilities undisturbed through a subordination, non-disturbance and attornment (SNDA) clause?

A SNDA clause would not be appropriate in this case. The county does have a subordinate lease. In this scenario CDCR would be defaulting. The SPWB could relet the jail facility to the county. The county would then pay the debt service on the bonds. The county could request language allowing for this in its leases and agreements with the state.

Is multiple story financing allowed with this lease-revenue bond process?

Multiple story facilities affected by construction will be all encompassed in the project scope. The lease-revenue bond financing does not allow for portioning out only a select floor(s) of the facility to include in the project scope and footprint.

Can the cost of building permits be applied to in-kind match?

No, this is not an allowable match expenditure.

What is the final date that a county can withdraw from accepting the award if they do not like the terms or conditions of the award and/or lease agreements?

Counties may opt out of this program at any point when the county chooses not to sign any or all of the agreements necessary for the parties to participate in the State's lease-revenue bond program for financing jail facilities. Further, the county must withdraw before the start of construction.

The RFP cites three pending federal district court cases pertaining to the constitutionality of prison health care and further states that the appointed Receiver, Special Master and court representatives will likely need to be included in any agreements that involve a county building and/or operating a reentry facility or any type of shared use facility (see page 12 of the RFP). Does this only pertain to the reentry facility or does it also apply to county jails?

This would pertain to the county jail if it is co-located with a reentry facility where medical and mental health services are shared between county and state inmates.

Can the appraisal fee associated with obtaining fair market value of land pertinent to the jail construction project be included in match?

There is no allowance for appraisal fees in the county's match; only the fair market value of the land that is directly associated with the construction project.

In the budget summary, should dollars be reflected down to the nearest penny?

Dollar figures should be rounded off to the nearest dollar.